

EXHIBIT A

OPERATING PROTOCOLS

Pursuant to Section 4.01 of this Agreement, on behalf of DWR as its limited agent, Utility shall perform the day-to-day scheduling and dispatch functions, including day-ahead, hour-ahead and real-time trading, scheduling of transactions with all involved parties, making surplus energy sales and obtaining relevant information for these functions such as transmission availability and others, with respect to the Allocated Contracts set forth in Schedule 1 to the Agreement, all as more specifically provided below and in compliance with the provisions of each of the Contracts:

- I. Resource Commitment and Dispatch. Utility agrees to use good faith efforts to dispatch Allocated Contracts and, prior to novation, Interim Contracts, based on the principle of “least cost dispatch” to retail customers, consistent with the Contract Allocation Order and other Applicable Commission Orders. Utility shall undertake these least cost dispatch functions both of the Contracts and its URG so as to minimize the cost of service to retail customers based on circumstances known or that reasonably could have been known at the time dispatch decisions are made. DWR shall have no role in enforcement or review of Utility least cost dispatch under this Agreement and all issues of Utility compliance with least cost dispatch shall be within the sole review of the Commission.
 - A. Annual, Quarterly and Weekly Load and Resource Assessment Studies. Utility shall provide to DWR copies of its annual and quarterly load and resource assessment studies. Provided that Utility submits substantially the same information to the Commission, copies of the Commission submission will be simultaneously sent to DWR to satisfy requirements of this section. In addition, Utility will provide a weekly commitment and dispatch plan for informational purposes to DWR in the same form that such plan is used internally.
 - B. Scheduling Protocols.
 1. DWR is responsible for notifying the counter-party to each of the Allocated Contracts that scheduling under the Allocated Contracts will be performed by Utility before the first day that schedules are due to be submitted by Utility. DWR is responsible for notifying Utility of any changes to the Allocated Contracts that it has negotiated, including changes to the scheduling terms. DWR agrees to provide such notice as soon as possible following the negotiation of any changed provisions and in any case prior to the time that any changed provisions become effective.

To the extent that any of the Interim Contracts are amended or modified by DWR or Utility, including changes to the scheduling

terms, DWR and Utility agree to provide such notice to the other Party as soon as possible following the negotiation of any changed provisions and in any case prior to the time that any such changed provisions become effective.

2. Utility agrees to schedule Contracts in accordance with their terms and in accordance with the requirements of the Control Area operator or operators with whom the Contract must be scheduled to provide for power delivery.

II. ISO Ancillary Service (AS) Market. Among the Contracts are resources that are or may be qualified to be bid into the ISO's Ancillary Services ("AS") market or that Utility may use in its self-provision of AS. Utility is authorized to develop protocols and procedures for the use of DWR resources for AS, subject to review and approval by DWR solely for compliance with the terms and conditions of the Contracts. Utility shall, upon DWR's request, provide to DWR such information concerning Utility's intended use of DWR resources for AS as DWR may reasonably request for planning and revenue requirement purposes. .

III. Surplus Energy Sales and Energy Exchanges

- A. Over-generation. If the ISO announces an over-generation situation, Utility will back down resources in accordance with the ISO tariff and Good Utility Practice. In order to reduce the need for physical curtailment in over-generation situations, Utility shall, develop pay-for-curtailment protocols and procedures that will enable Utility to instruct a must-take resource not to deliver energy under specified conditions, and submit such protocols and procedures to DWR for review and approval. The costs and charges associated with mitigation of an over-generation situation shall be allocated among the Parties on a pro-rata basis consistent with the surplus sales allocation principles set forth in Exhibit C.
- B. Energy Exchange Arrangements. Existing non-DWR/CERS exchanges and those that might be transacted post-2002, will be considered URG exchanges. The accounting of energy necessary to support energy exchanges is addressed in Exhibit C.
- C. Surplus Energy Sales Arrangement. Utility shall on a monthly basis prepare a sales plan addressing all surplus sales, including without limitation sales to manage over-generation, contemplated by the Utility for review and approval by DWR. Such plan shall address sales of power from the combined portfolio of URG resources and Contracts, which will be administered by Utility on its own behalf and acting as DWR's limited agent. As specified in Section 2.02 of the Agreement, Utility shall pursue surplus sales in a fashion reasonably designed to serve the overall best interests of retail electric customers. Utility agrees to include sufficient

details in the sales plans to be reviewed by DWR to allow DWR to satisfy its financial management and reporting requirements. To the extent there is surplus power uncommitted to a forward energy surplus sales transaction, Utility shall be required to bid such surplus energy in the day-ahead, hour-ahead or real-time market. Utility shall arrange for transmission service to accommodate surplus sales to the extent that transmission service is available and cost effective. The costs of transmission service, ISO charges, other applicable charges specifically related to Utility's performance of surplus energy sales activities and the costs of firm transmission rights associated with such surplus energy sales transactions shall be netted from surplus sales revenues prior to the pro-rata allocation of surplus sales revenues in accordance with the Settlement Principles for Remittances and Surplus Revenues attached hereto as Exhibit C.

- IV. Outage Coordination and Determination of Resource Availability of Contracts. Utility shall communicate with the scheduling coordinator of each Contract to coordinate, approve, document and report planned Contract outages. For those Contracts where resource availability affects capacity payments, Utility will use good faith efforts to verify supplier actual resource availability, and keep records of resource availability as reported by Supplier. In addition, Utility shall document all outages (forced and planned) and notices of outages and provide such documents to DWR within five (5) business days after the end of each calendar month.
- V. Interim Contracts. Utility and DWR agree that the Attachments and data requirements associated with this Agreement will be updated as needed to incorporate the addition of new Interim Contracts entered into after the execution date of this Agreement.
- VI. DWR Transition Period Cooperation. In addition to Section 5.01(f), DWR for a six-month transition period after the Effective Date, shall facilitate, assist and cooperate with Utility in the transition from DWR to Utility of the performance of the operational, dispatch, and administrative functions as provided in the Agreement. Specifically, DWR agrees to (i) provide guidance on interpretation of the Allocated Contracts, (ii) provide guidance as needed on operational issues, (iii) share and provide access to non-proprietary tools and systems that DWR developed and deems to be useful for future scheduling and dispatching of the Allocated Contracts so long as such access to DWR's tools and systems does not cause any confidential information not provided by Utility to be released to Utility.